

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 DODE-00 NSAE-00
USIA-06 TRSE-00 ERDA-05 CIAE-00 COME-00 INT-05
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P R 261741Z MAY 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 4430

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

USMISSION GENEVA

USMISSION OECD PARIS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

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E.O.11652: N/A

TAGS: ETRD, UK, EC

SUBJECT: IMPORT LICENSING OF IRON AND STEEL

REF: (A) USEC 4616; (B) 76 LONDON 988; (C) 76 STATE
23234

1. THE UK HAS BEGUN ITS IMPORT LICENSING SYSTEM ON A
WIDE RANGE OF IRON AND STEEL PRODUCTS AS REQUIRED UNDER
THE DAVIGNON PLAN REPORTED REF (A), BUT MANY BRITISH
STEEL TRADERS SAY THEY WILL NOT COMPLETELY OBSERVE THE
NEW REGULATIONS. THE EMBASSY ALSO WISHES TO FLAG FOR
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WASHINGTON AGENCIES THAT THIS SURVEILLANCE SYSTEM IS
ESSENTIALLY THE SAME AS THE 1976 UK IMPORT LICENSING
SYSTEM ON TELEVISION RECEIVERS WHICH THE U.S. VIEWED AS
A DISCRIMINATORY TRADE PRACTICE ON THE GROUNDS THAT
IMPORTS FROM OTHER EC COUNTRIES WERE EXEMPT (REF C).

2. YESTERDAY, MAY 25, THE UK DEPARTMENT OF TRADE BEGAN

REQUIRING AN IMPORT LICENSE FOR ALL IRON AND STEEL PRODUCTS LISTED IN EC OFFICIAL JOURNAL OF MAY 5 WHICH SPELLED OUT THE DETAILS OF THE DAVIGNON PLAN. AS REQUIRED BY THE REGULATION, THE UK LICENSING SYSTEM WILL BE AN AUTOMATIC ONE AND OFFICIALS HERE SAY ALL THE ADDITIONAL GOVERNMENT PROCESSING CALLED FOR UNDER THE NEW SURVEILLANCE SYSTEM WILL BE DONE IN ONE DAY UNDER NORMAL CIRCUMSTANCES.

3. THE INTERNATIONAL STEEL TRADE ASSOCIATION (ISTA) OF THE UK HAS ADVISED ITS MEMBERS, WHICH INCLUDE ALMOST ALL UK STEEL IMPORTERS, NOT TO COOPERATE WITH THE GOVERNMENT IN SUPPLYING THE DOMESTIC PRICE OF THE IMPORTED MATERIAL IN THE COUNTRY OF ORIGIN. THIS FIGURE IS A REQUIREMENT OF THE UK GOVERNMENT WHICH IS ADDITIONAL TO THAT INFORMATION REQUIRED BY THE EC. ISTA CLAIMS IT IS AN "IMPOSSIBLE DEMAND" BECAUSE IMPORTERS DO NOT HAVE THIS INFORMATION, IT VIOLATES NORMAL COMMERCIAL SECRECY, AND PRICES INCLUDE ALL SORTS OF HIDDEN REBATES. THE OUTCOME OF THIS IMPASSE REMAINS TO BE SEEN, BUT THE UK GOVERNMENT IS TAKING A TOUGH LINE: NO IMPORT LICENSE IN THE ABSENCE OF FULL DISCLOSURE.

4. A SIMILAR AUTOMATIC LICENSING SYSTEM WAS INTRODUCED BY THE UK IN JANUARY, 1976 FOR TELEVISION RECEIVERS AND PICTURE TUBES (REF B). AT THAT TIME IT WAS THE USG VIEW THAT THERE WAS A DISCRIMINATORY APPLICATION OF THEIR LICENSING SYSTEM BECAUSE THE UK EXEMPTED FROM SURVEILLANCE IMPORTS FROM OTHER EC MEMBER COUNTRIES. THE LIMITED OFFICIAL USE

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UK RESISTED GRANTING THIS EXEMPTION FOR COMMUNITY COUNTRIES, BUT EVENTUALLY BOWED TO COMMISSION PRESSURE BROUGHT ON THE GROUNDS THAT ARTICLE 31 OF THE TREATY OF ROME PROHIBITS COMMUNITY MEMBERS FROM TAKING "MEASURES HAVING EQUIVALENT EFFECT" OF NEW QUANTITATIVE RESTRICTIONS. ON THE DEPARTMENT'S INSTRUCTIONS, THIS ISSUE WAS THE SUBJECT OF A DEMARCHE BY THE EMBASSY.

5. THE QUESTION IS WHETHER THE U.S. CONSIDERS THE EXEMPTION OF INTRA-EC TRADE IN THESE STEEL PRODUCTS FROM IMPORT LICENSING TO HAVE A DISCRIMINATORY EFFECT ON THE U.S. AND WISHES TO PUT OUR POSITION ON RECORD.

SPIERS

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORTS, IRON, STEEL, LICENSES
Control Number: n/a
Copy: SINGLE
Sent Date: 26-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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From: LONDON
Handling Restrictions: n/a
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Line Count: 111
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